

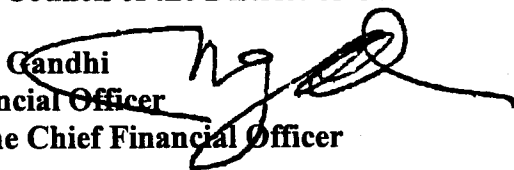
**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer
Office of the Chief Financial Officer

DATE: JUN 28 2007

SUBJECT: Fiscal Impact Statement – “Renewal of the Childless Adults Age 50 through 64 Waiver Approval Resolution of 2007”

REFERENCE: Draft Bill - No Number Available

Conclusion

Funds are sufficient in the FY 2007 budget and proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed resolution. District hospitals have agreed to set aside \$12.8 million of Technical Disproportionate Share Hospital (DSH) funds¹ annually to fund the cost of the Section 1115 Medicaid Waiver.

Background

The proposed resolution would authorize the Medical Assistance Administration (MAA) to submit a renewal application to the U.S. Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS) for the currently operating Section 1115 Medicaid Waiver for Childless Adults Age 50 through 64. These individuals are non-disabled adults who are not resident care-takers of children under the age of 19, have incomes no greater than 50% of the Federal Poverty Level and were ineligible to receive Medicaid services in the previous calendar month. The District has been operating this waiver since 2001 and it is scheduled to expire in February 2008. The renewal application is identical to the current program, and it requests an approval to keep the waiver operational for three more years.

¹ According to the National Conference of State Legislatures (NCSL), the term “disproportionate share” is defined as: “A program which provides additional reimbursement to hospitals which serve a disproportionate share of low income patients.”

Financial Plan Impact

Funds are sufficient in the District's FY 2007 budget and proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed resolution.

The Department of Health has \$81 million in its local and federal baseline budget set aside for DSH funding.² In turn, District hospitals have agreed to set aside \$12.8 million of DSH funds to fund the cost of the Section 1115 Medicaid Waiver. If the entire \$12.8 million is not used within a given budget year, the remaining amount will be used as a supplemental DSH payment to the qualifying hospitals.

This initiative will be administered by MAA in partnership with the District Department of Human Services (DHS) Income Maintenance Administration.

² This is an annual amount; 70 percent being federal dollars and 30 percent being District dollars. For more information on DSH funds, see D.C. Municipal Regulations, Chapter 9, Sec. 908: Qualifications for a Disproportionate Share Hospital. (Updated March 30, 2007)